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AUTHOR	Watts, Gordon E.
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ABSTRACT

This report details the findings of the Strategic Plan Steering Committee of the Arkansas Association of Two-Year Colleges (AATYC). The document serves two purposes. First, it makes the case for the potential of two-year colleges in Arkansas to make an impact on the state's students and, in turn, impact the economy. Second, the report lays the groundwork for a statewide strategic plan for two-year colleges to realize that potential. Confronting the poor performance of the state's two-year colleges and the need for change in all levels of administration, support, and instruction, the steering committee recommended the adoption of the following six goals: (1) to meet the needs of business and industry through workforce development; (2) to increase and improve the level of educational attainment for the residents of Arkansas; (3) to develop and implement a formalized funding mechanism for higher education in Arkansas; (4) to collaborate to identify issues and combine/maximize resources; (5) to maintain quality through continuous improvement; and (6) to seek funding from external resources. (Contains 55 references.) (ND)

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CLOSING THE GAPS:

ARKANSAS TWO-YEAR COLLEGES, EDUCATION, AND THE ECONOMY

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Prepared by

Gordon E. Watts
Professor of Higher Education
University of Arkansas at Little Rock

For

The Strategic Planning Committee
Arkansas Association of Two-Year Colleges

May 24, 2002

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Foreward

That there is an inseparable linkage between education and a variety of economic indicators is well established. However, in Arkansas there are a number of gaps in that linkage that relegate the state to the bottom in rankings of economic well being and propel it to the top in rankings of social ills.

In response to the need to close those gaps and to position Arkansas's two-year colleges as the primary educational vehicle for doing so, the Arkansas Association of Two-Year Colleges (AATYC) established a Strategic Plan Steering Committee. The Committee consisted of AATYC staff members; representatives from among two-year college presidents, chancellors, and staff members; representatives from various economic development entities; business and political representatives; and others with interest in the state's educational and economic growth.

This document was prepared for the Steering Committee as a synthesis of the data that the Committee explored and collected over a six-month period. The document serves dual purposes. First, it makes the case for the potential that exists within Arkansas's two-year colleges for closing the state's education-economy gap. Second, it sets the stage for a collective statewide strategic plan for two-year colleges that will help realize that potential.

Closing the Gaps describes the unique mission of two-year colleges nationally and in Arkansas. It describes the growth in Arkansas's community colleges over the last ten years and the successes that they have achieved. The fulfillment of the two-year college mission is positioning the colleges to make a significant difference in the lives of Arkansans.

Closing the Gaps details the linkages between various education and economic indicators and outlines the gaps and challenges in Arkansas's education-economy linkage. It outlines the various barriers that threaten or weaken the two-year colleges' ability to close those gaps.

Closing the Gaps makes the case that Arkansas's two year colleges are in a unique position to help close the education-economy gap in Arkansas and answer some of the state's challenges. The goals and objectives are setting the stage for making the potential impact of Arkansas's two-year colleges on the state's economic and social well-being a reality.

Gordon E. Watts
Professor of Higher Education
University of Arkansas at Little Rock
May 2002

Democracy's Colleges

"The American community college movement is the most important higher education innovation of the 20th century"[1] *A. A. Witt et al*

Uniquely American, that's the community or two-year college. No other educational institution in our country can make that claim; all of the others are imports. No other institution has focused its mission squarely on serving all of the educational needs of the community in which it resides. No other institution has been called "democracy's college" or the "people's college" for its efforts to expand educational opportunity through accessibility, affordability, and close community ties.

From their modest beginnings in 1901, two-year colleges have grown to number 1166. The latest figures show that 10.4 million students are enrolled, and in 2001, 45% all of first-time college freshmen were enrolled in two-year colleges[2].

Mission

In general, the mission of the two-year college is to serve the educational needs of the community in which it resides and to do so effectively and efficiently. Two-year colleges achieve their missions by offering a comprehensive array of courses and programs that are both accessible and affordable. While the locations and communities may vary, the basic ways that the mission is achieved is the same

Comprehensive

Two-year colleges achieve their missions by offering a diverse array of programs that include:

- courses and programs designed to allow students to transfer to four year institutions with junior status
- technical programs up to two years in length leading to associate degrees or certificates
- developmental education courses for those whose basic academic skills need to be enhanced in order to insure success
- community service and continuing education courses for occupational upgrading or personal enrichment
- workforce development programs to meet the customized training needs of local and statewide business and industry
- counseling and other student services designed to assist students in meeting their educational goals.

Accessible

Two-year colleges, like the nation that created them, have been the melting pot of higher education. One two-year college in Chicago is said to have a student body that collectively speaks over 250 different languages. When colleges are accessible, their

student bodies are diverse. It is not surprising, therefore, that the average age of two-year college students is 29 and that two-year colleges enroll 45-55% of all African-American, Hispanic, Asian/Pacific Islander, and Native American undergraduate students in the U.S.[3]

To further emphasize accessibility, two-year colleges are within 95% of the population nationally. They offer a multitude of courses at a wide variety of times thus allowing citizens to fit education into their schedules. It is no accident that 80% of two-year college students work either full or part-time and that 63% of the students attend part-time and 37% attend full-time.[4]

Affordable

Two-year colleges are the dollar savers of higher education, consistently offering a quality education for students at costs that are well below that of four-year institutions. In 1997-98, the last year that data are available, the average cost for tuition and fees in public two-year colleges was $1,318 compared to $3,110 for four-year public institutions and $13,392 for private institutions.[5]

Quality

Can a college that attempts to be all things to all people do so effectively? The answer is "Yes", and to attest to the quality of a two-year college education, here are a few quick facts:

- 65% of all new healthcare workers get their training at two-year colleges.[6]
- The GPA of students who transfer to four-year institutions is on a par with native students from the same institutions.[7]
- 95% of businesses and organizations that use two-year colleges for workforce education and training programs, would Êrecommend them to others.[8]

In summary then, the two-year college mirrors its community. Therefore, the mix of programs, courses, services, and partnerships are unique to that community. However, regardless of the location and size of the two-year college, rural or urban, northeast or southwest, small or multi-campus district, each and every two-year college is characterized by a mission that is *comprehensive* in nature, that provides *access* to all, that is *affordable*, and that emphasizes *quality*.

Democracy's College In Arkansas

"Hence, the advent of the community college as a neighborhood institution did more to open higher education to more people than did its policy of accepting even those students who had not done well in high school."[9] *Arthur Cohen & Florence Brawer*

Actually, democracy's college has been in Arkansas for quite some time. The oldest continuously operating public two-year college in Arkansas is ASU-B, which first opened its doors in 1926. However, the development of Arkansas' present system of 22 comprehensive two-year colleges occurred some 20 years after most states had already developed their two-year college systems. Arkansas reached its total of 22 in 1991 when 14 former secondary vocational schools were legislatively converted into technical colleges, which have since transformed themselves into two-year colleges.

In Arkansas, there are community colleges, technical colleges and two-year colleges that are a part of a university system. All are actually comprehensive two-year colleges dedicated to meeting the higher education needs of their local communities. All two-year colleges are accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools, the same accreditation as all colleges and universities in Arkansas. Each college is uniquely different as each community has different educational needs, yet collectively they have a common mission. Further, like their counterparts in the rest of the nation, they all achieve their mission by offering a comprehensive curriculum that is both accessible and affordable.

Arkansas Community College Successes

The good news for Arkansas' two-year colleges is that their growth since the incorporation of the 14 colleges in 1991 has been nothing short of phenomenal. From a student headcount enrollment of just about 20,000 in 1991, the enrollment has grown to over 43, 300 for the Fall 2001. The enrollment growth in two-year colleges has occurred during a span of time when enrollment in four-year colleges, public and private, has remained stable.[10]

In addition, the Full time Equivalency enrollment has mushroomed as well in the last five years.[11] Other trends of note regarding enrollments are that two-year colleges are serving 3,000 more minority students now than they did in 1991. In terms of percentages, minority enrollments in two-year colleges are above the overall rate in higher education in Arkansas and above the national rate in higher education. In a recent analysis of the fastest growing two-year colleges in the U.S. with enrollments of 2,500 or less, five out of the top 15 and 12 out of the top 50 are in Arkansas.[12] Also, more and more students are taking advantage of web based instruction, which expands access considerably. Finally, again on access, a recent study released by the Lumina Foundation indicated that Arkansas ranked 2nd in access for colleges.[13]

Not only has the enrollment in traditional credit courses grown, but also the number of students served in non-credit workforce training programs has grown by 22% over the last four years. In addition, the number of businesses served has increased by 35%, the number of classroom hours has increased by 49%, and the number of contact hours has increased by 25%. The result is that the two-year colleges do 62% of the workforce training in Arkansas.[14]

As a result of the growth and success of two-year colleges in general and Arkansas specifically, two-year colleges are starting to be recognized as the economic engine for the South.

One strong measure of the success of the two-year colleges is that, as mentioned earlier, all are accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools, the same accreditation as all other colleges and universities in Arkansas. The remarkable part of that is that the 14 technical colleges that were brought into the system in 1991 had six years to become accredited. All did so, and now all have either been reaffirmed in their accreditation or are in the process of doing so.

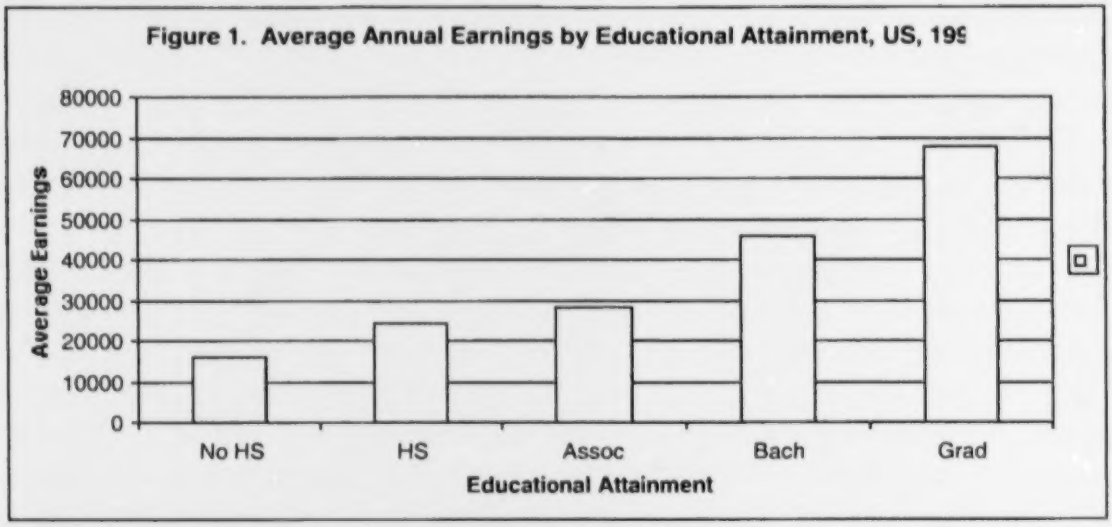
A similar measure of success is that almost all allied health programs in the state that have an external accreditation process have gone through that process and have become accredited. Pass rates on national exams for allied health programs are frequently 100% and very rarely below 90%. In addition, many of the auto mechanics programs have received ASE certification, and many other technical programs have achieved certifications or accreditations from their professional organizations.

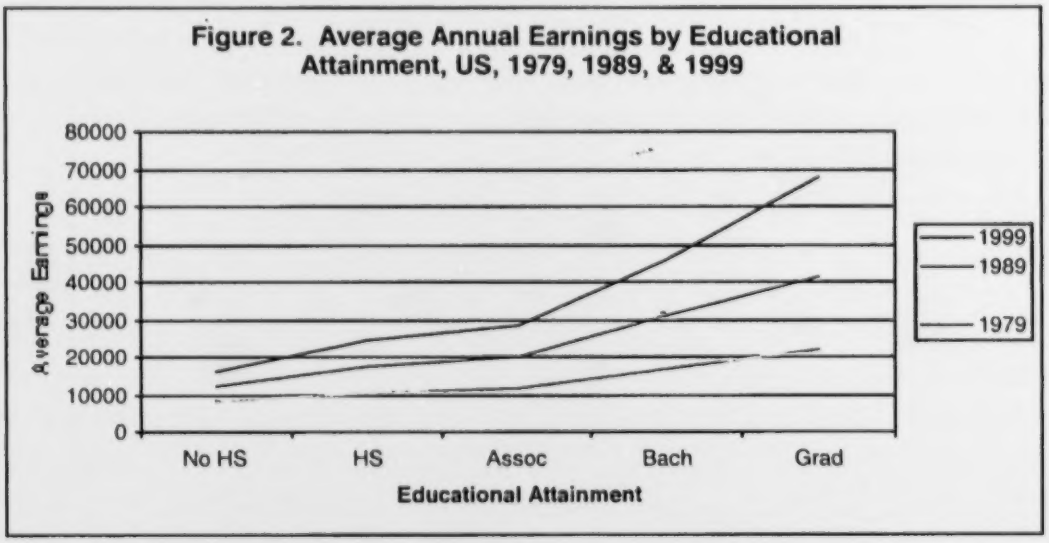
The Economy and Education: An Inseparable Linkage

"If the 2.5M Arkansans had the average education of the U.S. and the consequent average income, the Gross State Product (collective state income) would be about $21 billion more. The state revenues and budget might be $2-$7 billion more."[15]

Robert Johnston and Lu Hardin

The link between education and the economy is irrefutable. That linkage is dramatically displayed in the figures below.





In the first figure[16], it is obvious that as level of education increases, so, too, does income level. The other[17] shows the growth in earnings over 3 decades for each educational level. Those with no high school diploma have gained **less than** $10,000 in annual earnings over 3 decades while those with graduate degrees have gained $40,000+. Those with associate degrees have gained nearly $20,000.

The latest study by the US Department of Labor[18] indicates that college graduate age 25 and over earn nearly twice as much as workers who stopped with a high school diploma. Also, college graduates have experienced growth in real (inflation adjusted) earnings since 1979. In contrast, high school dropouts have seen their real earnings **decline**.

Further, the unemployment rate for workers who dropped out of high school is nearly four times the rate for college graduates.

To highlight the last two points, the Tables 1[19] and 2[20] below show first just how much wages actually have declined over the last 20 years in the absence of education, and second the effect of education on unemployment rates.

Table 1

Educational Level	**Effect on Wages**
a four year education	kept pace with inflation
some college education	14% decline in real income
high school diplomas	18% decline in real income
high school dropout	25% decline in real income

Table 2

Educational Attainment	**Unemployment Rate %**
Less than 1 year of high school	8.7
1-3 years of high school	9.3
4 years high school, no diploma	8.1
High school graduate	4.7
Some college, no degree	4.0
AA, Occupational	3.3
AA, Academic	3.2
Bachelor's	2.4
Master's	2.2
Doctorate	1.6
Professional	1.3

The American Council on Education (ACE)[21] recently conducted a national study on attitudes toward public higher education. They learned, among other things, that

- 76% of the people surveyed agreed that public colleges & universities make a significant contribution to a state's economy.
- the top three ways public colleges are seen as contributing to a states economy are
  - providing jobs--40%
  - bringing people & money to state--30%
  - attracting business to the state--23%
- the respondents rated good public colleges & universities as very important or fairly important to each of the following by the percentages indicated:
  - Having a well-trained workforce in the state--89%
  - Keeping the state's economy technologically competitive in the 21st century--85%
  - Creating jobs in the state--83%
  - Keeping the state's economy strong--80%

- Attracting businesses and employers to the state--80%

Recently, the Virginia Business Higher Education Council[22] produced a strategic plan called Virginia First 2000. That document made the following points in relating education to the economy:

- Families headed by individuals with bachelor's degrees will earn on average $1.3 million more over their working lifetimes than those with no post secondary education.
- Adults with any postsecondary education represent 49. 1% of the national population, earn 64.5% of the national income, and pay 70.9% of the federal taxes.
- With each 1% increase in the adult population having four years or more of postsecondary education, the average state per capita income rises by $590, resulting in increased tax revenues.

Furthermore, two researchers working for the Tennessee Board of Regents recently concluded that "... educated people earn more money and increase their spending, which yields more in sales taxes." Their analysis found that in Tennessee, the state recovers its subsidy of higher education in sales taxes alone.[23]

Finally, when researchers compare the economic health of regions in Arkansas with the monetary investment in education and the percentage of minority population in those same regions, a striking pattern emerges. Poor economic health and development is directly related to a lack of investment in education and to a high percentage of minority population.

Although the link between education and economy is firmly established, it may not be clear about which comes first, the development of the economy or the development of the educational system. The response is that both should be developed concurrently. A state's economy should be growing and generating jobs at the same time that employees are being trained to join the workforce.

Arkansas: Gaps, Broken Links, And Challenges

"For the future of the Commonwealth, as well as for individuals, the only thing more expensive than going to college is not going to college. Our collective welfare depends upon not leaving large numbers of our citizens behind; yet it seems we are doing just that..."[24] *Virginia First 2000*

As pointed out earlier, the linkage between education and a state's economy is irrefutable. In an ideal state, increasing numbers of the population will complete high school and then attend some sort of post secondary educational institution. Upon completion of their training, whether it's a group of courses, a certificate or a degree, students will readily find employment in the field of their training. The latter, however, can not occur without an economy that provides the job opportunities. Again, in an ideal state, the economy is

increasingly boosted by the addition of new business and industry that locate to the state because of an ample supply of trained workers. Then, as more well trained workers are employed in positions with higher salary ranges, the economy of the state is dramatically boosted.

In Arkansas, however, gaps between educational access and attainment, breaks in the education/economy linkage, challenges that threaten to prolong the gaps, and the relation of all three to social ills have been a part of the fabric of the state for far too long.

Education

There is a distinct gap in Arkansas between access to education and educational attainment. The two-year colleges are providing the access as indicated by the growth figures pointed out earlier. For example, Arkansas features 12 out of the top 50 fastest growing two-year colleges in the U.S. (under 2,500)[25]

However, despite improved accessibility, the statistics compiled by the 16 state Southern Regional Education Board (SREB)[26] regarding attainment outlined below are alarming:

- At 6.7%, Arkansas is tied with Georgia for the second lowest percent of adults enrolled in college who are 25 years or older. Comparable percents for the south as a whole, the U.S. as a whole, and the non-south are 7.7%, 8.8%, and 9.2% respectively.
- Arkansas is next to the lowest in the percent of adults 25+ with a BS (17%). Comparable percents for the south as a whole, the U.S. as a whole, and the non-south are 20.3%, 25.1%, and 25.3% respectively.
- Arkansas falls behind the south and non-south in the percent of adults with a high school degree or better.

From other sources, the statistics are equally discouraging.

- Arkansas is last in number of persons over the age of 25 with a Bachelors degree[27]
- 25% fewer students enrolled in higher education in Arkansas than 4 states of similar population[28]
- The AR College going rate is 58% compared to the National average of 62%[29]
- Arkansas has the second lowest percentage of persons with a high school diploma or the equivalent in the U. S. at 76.8%[30]

Will increasing access improve attainment? Perhaps it will, but first the populace of Arkansas will need to see that if they succeed at raising their educational level, then, first, the jobs will be there, and, second, that those jobs will enhance their economic well being.

Economy

According to the indicators outlined below, Arkansas' economy should be improving.

Arkansas

- nearly matched the US job growth rate from 1978 to 1997--40% compared to 42.6%[31]
- far surpassed the national rate of job growth in general merchandizing stores, food products manufacturing, and trucking and warehousing[32]
- has narrowed the gap in jobs per 100 people to within 2% of the US rates at 57[33]
- ranks 17th nationally in employment growth per year from 1990-1999[34]
- ranks 16th in "Gazelle" jobs--jobs in companies that have grown 20% or more for four straight years[35]
- ranks 13th in the U.S. in Fortune 500 companies[36]

Yet, indicators from the same sources as mentioned above and others paint a different picture. From the *State of the South 2000*[37] come these figures that show that Arkansas

- did not narrow the gap with the U.S. in per capita income for the 1978 to 1997 time period --it actually lost ground from 78.4% of the U.S. level in 1978 to 77.5% in 1997.
- still suffers from an unfavorable business mix--job losses in farming combined with slow growth in construction, finance, and services
- has less foreign investments than most other southern
- has a low concentration of high-technology employment ranking 41st among the states

In a more recent report to the Governor, Harvard's Business School[38] found that Arkansas

- ranks 47th in average wages in 1999
- ranks 45th in gross state product per employee in 1999
- ranks 41st in annual growth in exports from 1995-1999
- ranks 51st in patents per 10,000 employees (includes Puerto Rico)
- ranks 47th in the number of fast growth firms from 1991-2000

In a 1999 report on indicators of readiness for states to engage in the "new economy", the Progressive Policy Institute[39] found that Arkansas

- ranks 49th in general economy
- ranks 43rd in the number of managerial and professional jobs
- ranks 45th in the number of initial public offerings
- ranks 50th in the number of scientists and engineers in the workforce
- ranks 48th in the number of office jobs
- ranks 49th in its readiness to implement a digital economy
- has virtually no venture capital

Clearly, there's a gap between the type of growth that Arkansas is experiencing and the economic condition of the state. What may not be apparent in the above statistics is that job growth is not in those sectors that require further training and education. That fact leads to the conclusion that growth in jobs that require little training and education can not and will not sustain a healthy economy.

Challenges to Arkansas' Workforce

Not only are there gaps between educational access and attainment and between economic growth and health, but there's also the challenge of the workforce itself. These challenges include the following:

- By 2000-2025, Arkansas is projected to have the third highest percent decrease of prime age workers (18-44) in the South[40]
- By 2000-2025, Arkansas is projected to have the third highest percent decrease of children in the South[41]
- According to ASTD, 89 percent of the 13.2 million new jobs created between 1992-2000 required postsecondary levels of literacy and math skills.[42]
- Research by ASTD and the U.S. Department of Labor predict that 75 % of the current workforce will need significant retraining in the next decade.[43]
- In Arkansas, the existing workforce needs to be retraining at least 450,000 workers per year for new skills. At best, **all** public post secondary educational institutions in AR may be reaching only 150,000-175,000 workers per year.[44]
- 85% of workers that will be needed in 2010 are already in the workplace.[45]
- 22% of Arkansas' population is employed in semiskilled jobs--above the national average.[46]

Judging from these statistics, it would appear that prime age workers in Arkansas are leaving to find work elsewhere. Jobs for those with skills and training are not here. Unfortunately, according to data from the Arkansas Working Families Project[47], "The Arkansas economy is not generating the types of new jobs that will help lower skilled and less educated Arkansans earn a self-sufficiency wage." Since those workers are also of prime family rearing age, their children are absent as future employees as well.

Social Problems

When states are beset by an unhealthy economy, the social conditions of its people suffer as well. That fact is made clear by the following statistics from SREB[48]:

- 17-18% of Arkansas' population is below the poverty line--only Louisiana and Mississippi are lower
- Arkansas is second highest in excess deaths per 100,000
- Arkansas has the second highest % of kids in poverty

In a recently released study on ten indicators of child well-being in the U.S., Arkansas ranked near the bottom on all.[49] Significant among those indicators are the following Arkansas rankings

- 46th in child death rates in ages 1-14 per 100,000
- 42nd in teen birth rate per 1000 females aged 15-17
- 41st in percent of low birth-weight babies
- 41st in percent of teens who are high-school dropouts
- 48th in percent of teens aged 16-19 not attending school and not working

As long as jobs for the unskilled are plentiful, that portion of Arkansas' population will remain uneducated with poor prospects of improving their economic status.

In summary, then, Arkansas has a highly accessible two-year college system. However, as students move through that system, they discover that their hoped for educational attainment is not matched with employment opportunities. As a result, students either seek those opportunities out of state or decide not to continue their education. The state, unable to attract new business without the promise of a trained workforce, is, therefore, faced with the prospect of an unhealthy economy further debilitated by unhealthy social conditions.

Closing the Gaps, Strengthening the Links, and Answering the Challenges

"The community college system is an absolutely imperative part of the fabric of education in this country. It's the thing that will help us be competitive leaders in the world, and corporations like mine have to retain a competitive leadership throughout the U.S., throughout the world."[50] *Jim Adams, Chairman, Texas Instruments*

North Carolina has 58 community colleges that have been vital in the economic development of the state. North Carolina has constantly been the leader in new and expanding industries and thus has had astounding job growth. The state is often ranked as one of the nations top business climates. As Governor Scott said in 1998, "economic development is education".

Martin Lancaster, the President of the North Carolina Community College System has stated...."When I am asked which of our 59 institutions in North Carolina are involved in economic development, I answer, all of them. When I am asked what portion of our budget is devoted to economic development efforts, I say all of it. When I am asked which aspects of our programs deal with workforce preparation, I say all of them." According to Martin Lancaster, no other institution has played a more significant role in supporting economic development in North Carolina than the North Carolina Community College system. The *Wall Street Journal* on a front page profile of Guilford Technical Community College referred to the North Carolina community college system as the state's 'secret weapon' in economic development." The *Chronicle of Higher Education* has written that North Carolina Community Colleges have been "crucial to the boom that has transformed North Carolina into one of the spots on the nation's economic map."[51]

North Carolina is not alone in the transformation of its economy through its two-year colleges. South Carolina, Alabama, Kentucky, Virginia, and Florida are just a few of the examples of states who have realized increased economic health and well being by investing in their two-year colleges.

The National Alliance of Business[52] devoted their May 2000 monthly edition of Work America to the role community colleges provide for preparing the workforce for today

and tomorrow. In this publication it was stated that "...working together, business and community colleges are preparing emerging existing, entrepreneurial and transitional workers for the knowledge economy." and that "Clearly community colleges play a pivotal role in fueling the knowledge economy with qualified workers and as such are a critical link in the knowledge supply chain." The article further states that while "...many employers are frustrated with traditional forms of higher education, community colleges are adapting. They are providing education and training to individuals who want to gain knowledge and skills that are in demand in the job market." and "...community colleges are attuned to market demands, not the status quo. They adjust their programs continually to suit business needs."

Arkansas' two-year colleges stand ready to make the same contribution. Although Arkansas' system of two-year colleges is 28 years younger than the North Carolina system, it can quickly close the gap by following the examples of those states that have succeeded in developing the link between economic growth and education.

The two-year colleges have matured and stand ready to further their role in the economic development of the state. They have taken a leadership role in developing business partnerships and meeting the needs of business and industry through revised curriculums, the development of the WorkForce Training Consortium, the development of the distance education consortium (ACCESS Arkansas), and the development of business partnerships with the State Chamber of Commerce, the Arkansas Department of Economic Development, the Arkansas Hospitality Association along with other associations. They have also partnered with private companies such as Cisco, Baldor and others to develop industry based customized training programs.

One way in which the two-year colleges in Arkansas have worked to close gaps and meet challenges is to work collaboratively to maximize resources. The two-year colleges in consort with the Arkansas Association of Two-year Colleges (AATYC) have worked together and/or regularly share resources to

- Establish the Workforce Development Consortium
- Develop a program of web based distance education
- Establish 82 Cisco academies across the state
- Develop an Associate or Arts degree in Teaching (AAT)
- Promote through public relations pieces what 2-year colleges mean to the State and how they could improve the economy of Arkansas
- Saved millions of dollars in purchasing WebCT through the power of group purchase
- Develop common curricula in hospitality management, HVCAR, industrial technology, and workforce readiness
- Created staff development opportunities such as the fall conference and other meetings where colleges come together as a group
- Develop a strategic plan

Another means for closing the gaps is to make learning more accessible. The two-year colleges are doing that through the use of multiple delivery systems such as web-based courses, interactive televised courses, Saturday classes, packaged TV courses, flexible scheduling, and the like.

Further, the two-year colleges are strengthening the educational portion of the education/economy link by working closely with the public schools to form a seamless K-14 educational system. To date, the two systems have worked collaboratively to establish Environmental and Spatial Technology (EAST) programs, develop the Cisco Academies, develop the AAT degree program, establish concurrent enrollment programs, establish Tech Prep programs, and develop secondary vocational centers.

It is significant to note that 99% of the students in Arkansas' two-year colleges are residents of the state.[53] The importance of that figure is that most students are place bound and already working. They are tied to their local communities and, therefore, the education they receive is more likely to be used in that community. As a result, there is a positive impact on their community through improved workforce and increased dollars.

It is also important to point out the potential impact that the two-year colleges can have on the social condition of a state. A study in Wisconsin determined that its state two-year colleges generated more than $3 billion in economic activity and, this is the critical point, that they saved taxpayers $45 million per year through reduced crime, unemployment, welfare, and health costs associated with alcohol abuse and smoking

Arkansas' two-year colleges are coming into their own as economic tools to be used by the state. Each two-year college is part of the economic engine of its own community and collectively contributes to a trained workforce and thus the overall economy of the state.

Barriers

The two-year colleges of Arkansas are indeed ready to assist with the economic growth and development of the state. However, there are barriers that hinder that effort significantly. The primary barrier is funding and it manifests itself in a number of ways.

The Cycle Of Under-Funding.

The two-year colleges are not funded properly to allow for access of students to credit classes. This pipeline is critical for our new workforce and for students who will continue on to complete their baccalaureate degree. However, state funding has not kept pace with the rapid growth of the two-year colleges. In addition, traditionally, when the economy of a state or local area has a down-turn, the enrollments in two-year colleges increase. As a result of economic down-turn then, state funds are typically cut back just at the time that the two-year colleges are in the most need of increased funding to keep

pace with growth. It's a vicious cycle, the result of which is either diminished access or diminished quality or both. Neither is acceptable.

Equitable Funding.

When looking at the funds that two-year colleges receive for each full time equivalent student (FTE), there is a $5,000 difference between the highest and lowest funded institution. Unfortunately, it is the largest and most rapidly growing institutions that are receiving the lowest funding. However, the issue is not necessarily that there is inequity in funding each college, nor is it necessarily that colleges are funded on an FTE basis. Rather, the issue is that there has been no stable and predictable funding mechanism in place since 1986.

Whatever funding mechanism is developed, it must go beyond using just dollars per FTE as the basis because the underlying factors are more complex. A funding mechanism must take into consideration factors such as the differences in rural/urban economies and settings, institutional growth, the age and size of facilities, the mix of technical/transfer student and programs, the level of student preparation, the mix of full and part time faculty, and the like. In states such as Texas that have had a stable funding mechanism in place for decades, individual colleges are never concerned about how many dollars are allocated to their institution through a legislative session. Instead, knowing that they will get their fair share, they are concerned with the dollars that are allocated as a whole to the funding mechanism.

Without a stable funding mechanism, it is impossible to adequately plan for the future. In the present climate of change, colleges that are not able to adequately plan are destined to struggle for survival. This, too, is no longer acceptable. Nor should it be acceptable to a legislature whose own planing and effectiveness is diminished by the lack of a funding mechanism.

Funding for Workforce Training

At the present there is no direct funding of workforce training in the State of Arkansas. However, a recent study by the National Council for Continuing Education and Training[54], indicates that 17 states do have such funding. Those states have recognized that there needs to be support for noncredit business and industry customized training. So, too, should Arkansas. Instead, funds allocated through Workforce 2000 have actually declined significantly.

Direct funding would enable the WorkForce Training Consortium to be securely funded for the future and provide the colleges with the necessary financial support to develop customized classes. Also, with funding to support workforce training, two-year colleges can enhance their capability for providing training to business and industry and at the same time build an infrastructure that will enable training to be offered at a lower cost. The latter may be especially significant in allowing small businesses to afford to train their employees at a level not now possible.

Alternative Funding

With the decline in adequate funding from state sources, it becomes necessary for two-year colleges to seek funding from other sources. Traditionally, two-year colleges could count on a local tax base and student tuition and fees to round out the institution's finances. While all but six of Arkansas' two-year colleges have some form of local tax base, it is in many instances restricted in use and/or is inadequate to make up the deficiencies in state funding. That leaves the students as the next greatest source of income. The tuition and fees among Arkansas' two-year colleges have increased dramatically and are close to doubling what they were just four years ago. As a state, we can no longer put the burden of inadequate funding on the backs of our students.

It is perhaps unrealistic to assume that the State of Arkansas can meet all of the financial needs of its two-year colleges. The State's economy is flat at best, the Lakeview public school funding issue is looming on the horizon, and the potential for less of an increase in state funds is great. Therefore we need to seek other sources of funding to accommodate growth and maintain quality.

In short, without adequate funding, the two-year colleges of Arkansas will be severely hampered from providing adequate access to education and enhancing the educational attainment of its citizens. Both are necessary to form the educational linkage that will stimulate and develop the economic potential of the state.

Strategic Mission and Goals

"We believe that the future prosperity...and well-being of her citizens is fundamentally tied to a strong and aggressive partnership between business and education."[55]
Virginia First 2000

In order to enhance both the economic growth and development of Arkansas and the educational attainment of its citizens, the state's two-year colleges have adopted the following mission, goals, and objectives. Further, the two-year colleges will actively seek to develop and utilize partnerships with the agencies and entities outlined below in order to meet those goals and objectives. Through key business and government partnerships, the two-year colleges of Arkansas are poised to become the dynamic educational link to the economic well being of Arkansas.

Mission

To develop a unified agenda for two-year colleges that promotes the relationship between investment in education and economic development and develops a proactive strategy to utilize that relationship as a tool for economic development.

Goals

Goal 1: To meet the needs of Business and Industry through a comprehensive system of workforce development.

Objectives:

- Continue to provide staff development and training through the Work Force Training Council
- Expand our capability to serve those businesses that are not currently using us
- Become the primary customized training provider
- Serve as clearinghouse to coordinate workforce development services
- Address the needs of the existing, transitional, emerging, and entreprenеurial workforces
- Continue technical program advisory committees
- Increase access through multiple delivery systems
- Address regional needs through uniform needs assessment (align with areas to use info from AED for needs assessments from 2-year colleges
- Develop a method of determining Business and Industry needs that starts at the local level and accumulates information that can be shared regionally and compared to the Opportunity Arkansas Regions
- Develop a workforce development plan by service districts
- Assess, collect, and compile local and regional needs into a statewide plan

Partners:

- Arkansas Department of Economic Development
- Arkansas Department of Workforce Education
- Arkansas Department of Higher Education
- Arkansas State Chamber/Associated Industries of Arkansas
- Arkansas Economic Developers
- Universities
- Training Consortiums
- Entergy
- Other professional associations

Goal 2: To increase and improve the level of educational attainment of the citizens of Arkansas

Objectives:

- Continue to provide accessible, low cost programs close to home
- Increase employability through job placement services
- Continue to serve those without academic skills through adult and remedial education
- Work with k-12 to reduce the need for remediation
- Develop a common marketing & articulated system to enhance enrollment, retention, and graduation
- Increase access through multiple delivery systems
- Meet the needs of unserved and underserved populations
- Develop a seamless K-14 system through increased cooperation with K-12 following the examples of the Cisco and EAST programs that are already in place

Partners:

- Arkansas Department of Higher Education
- Universities
- Department of Education (K-12)
- Technical Program Advisory Committees
- Small Business
- Training consortia

Goal 3: To develop and implement a formalized funding mechanism for higher education in Arkansas that is predictable, stable, fair, and proactive.

Objectives:

- Assist two-year colleges in long term planning
- Fund Work Force and non-credit training
- Implement incentive funds to start new programs
- Expand funding to address technology needs
- Enhance equity funding

Partners:

- Legislature
- Governor
- Arkansas Department of Higher Education
- Arkansas State Chamber/Associated Industries of Arkansas

Goal 4: To collaborate to identify issues and to combine and maximize resources to better meet the diverse educational needs of Arkansas.

Objectives:

- Continue to identify common problems and develop common solutions
- Develop a list of current programs and locations
- Utilize technology to keep improving quality and accessibility
- Continue the following collaborative activities:
  - Arkansas Association of Two-Year Colleges
  - ACCESS Arkansas
  - WorkForce Training Consortium
  - Staff Development opportunities
  - Group purchasing discounts
  - Workshops (such as Foundation workshop)
  - Sharing best practices
  - AAT degree
  - Non duplicated specialty programs

Partners

- The 23 member institutions of the Arkansas Association of Two-Year Colleges
- Arkansas Department of Higher Education
- Other higher education institutions

Goal 5: To maintain quality through continuous improvement

Objectives:

- Continue staff development programs
- Prepare for the replacement of staff caused by retirements
- Eliminate non-productive and over-duplicated programs
- Limit admissions
- Develop an institutional and statewide institutional effectiveness model
- Maintain up-to-date technology
- Develop continuous improvement processes in all areas

Partners:

- The 23 member institutions of the Arkansas Association of Two-Year Colleges
- Arkansas Department of Higher Education
- Coordinating Board of Higher Education

Goal 6: To seek funding from external resources.

Objectives:

- Develop a working foundation for AATYC and for each of the 23 AATYC member institutions
- Implement local taxation for each of the member institutions
- Search for grants and other funding sources
- Garner support from Business and Industry
- Identify potential funding sources
- Create partnerships to fund collective needs

Partners:

- Business and Industry
- Foundations

Steering Committee Members

Ed Franklin, AATYC, Co-Chair
James Taylor, University of Arkansas Community College at Hope, Co-Chair
Diane Atchison, Southern Arkansas University-Tech
Anne Austin, University of Arkansas Community College at Batesville
Dan Bakke, Pulaski Technical College
Daryl Bassett, Governor's Office
Linda Beene, Southwest Arkansas Technology Learning Center
Ed Coulter, Arkansas State University-Mountain Home
Nathan Crook, University of Arkansas Community College at Morrilton
Jane English, Workforce Investment Board
Glen Fenter, Mid-South Community College
Steve Floyd, Arkansas Dept. of Higher Education
Danny Games, Entergy/Teamwork Arkansas
Kenny Hall, Arkansas State Chamber of Commerce
Ron Harrell, Arkansas Dept. of Higher Education
Mark Johnson, Pulaski Technical College
Jack Lassiter, University of Arkansas System
Steve Lease, AATYC Workforce Training Consortium
Robin Myers, Mississippi County Community College
Judy Post, AATYC
Janet Smith, Rich Mountain Community College
Steve Sparks, Arkansas Dept. of Economic Development
Gordon Watts, University of Arkansas at Little Rock

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